

of the asset retirement costs and related accumulated depreciation, and the settlement date and actual amount paid to settle the obligation. For purposes of analysis, a service company must maintain supporting documentation so as to be able to furnish accurately and expeditiously with respect to each asset retirement obligation the full details of the identity and nature of the legal obligation, the year incurred, the identity of the plant giving rise to the obligation, the full particulars relating to each component and supporting computations related to the measurement of the asset retirement obligation.

**§ 367.23 Transactions with non-associate companies.**

When a service or construction is performed for non-associate companies at an amount other than cost, the amount of revenues in excess or deficiency of the cost on servicing the non-associate companies must be charged to account 458.4, Excess or deficiency on servicing non-associate utility companies (§ 367.4584). A deficiency incurred in a project deemed beneficial to the associate companies may be charged to associate companies subject to disallowance by a State Commission or Federal Commission having jurisdiction over the rates or services of the associate companies. To the extent not charged, or if disallowed, the deficiency will be charged to account 458.4 (§ 367.4584). In computing charges to associate companies for any calendar year, any net credit in this account must be deducted from amounts reimbursable by associate companies as compensation for use of capital invested in the service company.

**§ 367.24 Construction and service contracts for other companies.**

(a) Expenditures made in the performance of construction or service contracts, under which the service company undertakes projects to construct physical property for associate or non-associate companies must be recorded in Account 412, Cost and expenses of construction or other services (§ 367.4120). The service company must keep records pursuant to its cost allocation system indicating the cost of

each contract or project, the amount of service costs allocated to the contracts, and the additional classification of expenditures relating to projects that will meet the accounting requirements of the company for which the work is performed.

(b) Account 412 (§ 367.4120) will include:

(1) The cost of materials, construction payrolls, outside services, and other expenses which are directly attributable to the performance of service or construction contracts for other companies.

(2) The cost of goods procured directly attributable to the performance of service or construction contracts for other companies.

(3) The related salaries, expense of officers and employees, pay of employees on the service company's regular staff specifically assigned to construction work, and other expenses of maintaining the service company's organization and equipment.

(4) The support services performed by the service company in connection with the procurement of goods for associate companies.

**§ 367.25 Determination of service cost.**

A service must be deemed at cost and fair allocation of costs requires an accurate accounting for the elements that makes up the aggregate expense of conducting the business of the service company. In the accounts prescribed in this part, the total amounts included in the expense accounts during any period plus the amount that appropriately may be added as compensation for the use of capital constitute cost during that period.

**§ 367.26 Departmental classification.**

Salaries and wages and all other costs must be classified by departmental or other functional category in accordance with the departmental organization of the service company to provide a readily available basis for analysis.

**§ 367.27 Billing procedures.**

Charges for services to associate public-utility companies must be made monthly with sufficient information and in sufficient detail to permit such